

Michigan Department of Community Health Outpatient Prospective Payment System (OPPS) Project Decisions Documentation	TITLE / ISSUE :	
	Data Set for Rate Analysis - PROPOSED	
	POINT PERSON	DATE INITIATED/REVISED
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Issue Description:		
<p>A set of claims and other data will be used to determine the budgetary impact of implementing an outpatient prospective payment system. The data should represent a reasonable approximation of expected data once the system is made effective.</p>		
Research and Discussions Summary		
<p>Historical data indicates 90% or more of claims will be paid by 6 months after the end of a fiscal year.</p> <p>The State of Michigan therefore targeted the “most current data” to be the first quarter of 2005 for the purposes of estimating the rate (results targeted initially by January, 2006). The State also requested, hospitals submit data with the formats required for the proposed OPPS. The data was to match current claims paid. The response was limited (7,000 episodes compared to 200,000 plus per quarter).</p> <p>The State analyzed the possibility of utilizing HMO encounter data. Due to provider identification, charge, procedure code, and revenue code limitations, it was determined the encounter data would not meet the needs for complete or accurate data analysis.</p> <p>The State pulled the fee-for-service (FFS) paid claims for the first quarter. This population does represent the population that will be billed FFS as of the effective date for OPPS subject to possible utilization changes (due to technology, information, standard practices, etc.). There are billing variations that exist and are considered.</p> <p>The FFS data also incorporates Medicare dual eligibles.</p>		
Conclusion		
<p>Due to the lack of data resources other than FFS data, the FFS data from the first quarter, 2005 will be used to estimate the budgetary effect (target budget neutrality) as of the effective date for the OPPS.</p>		
Action Required (systems, publications, etc.)		
<p>Pull the first quarter 2005 FFS paid claims. Estimate the effect of moving towards OPPS.</p>		